

STATE OF SOUTH CAROLINA

Application of South Carolina Electric & Gas
Company for a Certificate of Environmental
Compatibility and Public Convenience and Necessity
for the Construction and Operation of a 230 kV
Transmission Line from Its V.C. Summer
Switchyard to Its Killian Transmission Substation
and Two 230 kV Transmission Lines from Its V.C.
Summer Switchyard #2 to Its Lake Murray
Transmission Substation

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

COVER SHEET

DOCKET

NUMBER: 2011 - 325 - E

(Please type or print)

Submitted by: K. Chad BurgessSC Bar Number: 69456Address: SCANA Corp.Telephone: 803-217-8141220 Operation Way MC C222Fax: 803-217-7931Cayce, SC 29033

Other: _____

Email: chad.burgess@scana.com

NOTE: The cover sheet and information contained herein neither replaces nor supplements the filing and service of pleadings or other papers as required by law. This form is required for use by the Public Service Commission of South Carolina for the purpose of docketing and must be filled out completely.

DOCKETING INFORMATION (Check all that apply)

☐ Emergency Relief demanded in petition ☒ Request for item to be placed on Commission's Agenda expeditiously

☐ Other: _____

INDUSTRY (Check one)	NATURE OF ACTION (Check all that apply)		
<input checked="" type="checkbox"/> Electric	<input type="checkbox"/> Affidavit	<input type="checkbox"/> Letter	<input type="checkbox"/> Request
<input type="checkbox"/> Electric/Gas	<input type="checkbox"/> Agreement	<input type="checkbox"/> Memorandum	<input type="checkbox"/> Request for Certification
<input type="checkbox"/> Electric/Telecommunications	<input type="checkbox"/> Answer	<input checked="" type="checkbox"/> Motion	<input type="checkbox"/> Request for Investigation
<input type="checkbox"/> Electric/Water	<input type="checkbox"/> Appellate Review	<input type="checkbox"/> Objection	<input type="checkbox"/> Resale Agreement
<input type="checkbox"/> Electric/Water/Telecom.	<input type="checkbox"/> Application	<input type="checkbox"/> Petition	<input type="checkbox"/> Resale Amendment
<input type="checkbox"/> Electric/Water/Sewer	<input type="checkbox"/> Brief	<input type="checkbox"/> Petition for Reconsideration	<input type="checkbox"/> Reservation Letter
<input type="checkbox"/> Gas	<input type="checkbox"/> Certificate	<input type="checkbox"/> Petition for Rulemaking	<input type="checkbox"/> Response
<input type="checkbox"/> Railroad	<input type="checkbox"/> Comments	<input type="checkbox"/> Petition for Rule to Show Cause	<input type="checkbox"/> Response to Discovery
<input type="checkbox"/> Sewer	<input type="checkbox"/> Complaint	<input type="checkbox"/> Petition to Intervene	<input type="checkbox"/> Return to Petition
<input type="checkbox"/> Telecommunications	<input type="checkbox"/> Consent Order	<input type="checkbox"/> Petition to Intervene Out of Time	<input type="checkbox"/> Stipulation
<input type="checkbox"/> Transportation	<input type="checkbox"/> Discovery	<input type="checkbox"/> Prefiled Testimony	<input type="checkbox"/> Subpoena
<input type="checkbox"/> Water	<input type="checkbox"/> Exhibit	<input type="checkbox"/> Promotion	<input type="checkbox"/> Tariff
<input type="checkbox"/> Water/Sewer	<input type="checkbox"/> Expedited Consideration	<input checked="" type="checkbox"/> Proposed Order	<input checked="" type="checkbox"/> Other:
<input type="checkbox"/> Administrative Matter	<input type="checkbox"/> Interconnection Agreement	<input type="checkbox"/> Protest	Settlement Agreements
<input type="checkbox"/> Other:	<input type="checkbox"/> Interconnection Amendment	<input type="checkbox"/> Publisher's Affidavit	
	<input type="checkbox"/> Late-Filed Exhibit	<input type="checkbox"/> Report	

December 14, 2011

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Application of South Carolina Electric & Gas Company for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the Construction and Operation of a 230 kV Transmission Line from Its V.C. Summer Switchyard #1 to Its Killian Transmission Substation and Two 230 kV Transmission Lines from Its V.C. Summer Switchyard #2 to Its Lake Murray Transmission Substation
Docket No. 2011-325-E

Dear Ms. Boyd:

At the outset of the hearing in the above-reference docket, we informed the Public Service Commission of South Carolina ("Commission") that South Carolina Electric & Gas Company ("SCE&G" or "Company") and the Town of Blythewood ("Town") had reached a settlement agreement resolving their differences in this docket and that SCE&G and the Town would memorialize their agreement in writing and file it with the Commission. After the hearing in this docket, SCE&G entered into discussions with Richland County ("County") to determine whether SCE&G and the County could resolve their differences, too. By way of this letter, we are pleased to inform the Commission that SCE&G and the County have entered into a settlement agreement in this proceeding.

Enclosed for filing on behalf of SCE&G, the Town, and the County is an Explanatory Brief and Joint Motion to Approve Settlement Agreements and Request for Determination ("Joint Motion"). The Settlement Agreement between the Town and SCE&G is attached to the Joint Motion as Exhibit A. The Settlement Agreement between the County and SCE&G is attached to the Joint Motion as Exhibit B.

(Continued . . .)

Additionally, you will find enclosed for filing on behalf of SCE&G, the Town and the County a Joint Proposed Order for the Commission's consideration. In summary, the Joint Proposed Order advocates that the Commission grant SCE&G a Certificate of Environmental Compatibility and Public Convenience and Necessity as the Company requested in its application in the above-referenced docket.

In light of the foregoing, SCE&G respectfully requests that the Commission rule upon these matters at its next agenda meeting currently scheduled for December 21, 2011.

By copy of this letter, we are providing the other parties of record with a copy of the Joint Motion, including the Settlement Agreements, and Joint Proposed Order and attach a certificate of service to that effect.

If you have any questions, please advise.

Very truly yours,



K. Chad Burgess

KCB/kms
Enclosures

cc: John Flitter
Shannon Bowyer Hudson, Esquire
Jeffrey M. Nelson, Esquire
Carlisle Roberts, Esquire
Danny C. Crowe, Esquire
Shannon F. Bobertz, Esquire
Duane Parrish
John E. Frampton
(all via electronic and U.S. First Class Mail w/enclosures)

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011- 325-E

IN RE:

Application of South Carolina Electric &)
Gas Company for a Certificate of)
Environmental Compatibility and Public)
Convenience and Necessity for the)
Construction and Operation of a 230 kV)
Transmission Line from Its V.C. Summer)
Switchyard #1 to Its Killian Transmission)
Substation and Two 230 kV Transmission)
Lines from Its V.C. Summer Switchyard)
#2 to Its Lake Murray Transmission)
Substation)

CERTIFICATE OF SERVICE

This is to certify that I have caused to be served this day one (1) copy of South Carolina Electric & Gas Company's **Explanatory Brief and Joint Motion to Approve Settlement Agreements and Request for Determination and Joint Proposed Order** via electronic mail and First Class U.S. Mail to the persons named below at the addresses set forth:

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John E. Frampton
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Columbia, SC 29201
framptonj@dnr.sc.gov



Karen M. Scruggs

Cayce, South Carolina

This 14th day of December, 2011

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2011-325-E

IN RE:

Application of South Carolina Electric & Gas)
Company for a Certificate of Environmental)
Compatibility and Public Convenience and)
Necessity for the Construction and Operation of a)
230 kV Transmission Line from Its V.C. Summer)
Switchyard #1 to Its Killian Transmission)
Substation and Two 230 kV Transmission Lines)
from its V.C. Summer Switchyard #2 to Its Lake)
Murray Transmission Substation)
_____)

**EXPLANATORY BRIEF AND
JOINT MOTION TO
APPROVE SETTLEMENT
AGREEMENTS AND REQUEST
FOR DETERMINATION**

The Town of Blythewood, South Carolina (the “Town”), Richland County, South Carolina (the “County”), and South Carolina Electric & Gas Company (“SCE&G” or the “Company”) (collectively referred to as the “Parties” or individually as “Party”), pursuant to S.C. Code Ann. § 58-33-10 *et seq.* (1976 and Supp. 2010), 26 S.C. Code Ann. Regs. 103-829 (1976, as amended), and other applicable statutes, rules and regulations of the Public Service Commission of South Carolina (the “Commission”), hereby file this Explanatory Brief and Joint Motion to Approve the Settlement Agreement between SCE&G and the Town and the Settlement Agreement between SCE&G and the County in the above-captioned proceeding. SCE&G and the County also jointly move that the Commission make a determination, as authorized by S.C. Code Ann. § 58-33-110(1) (1976), that the relocation of an existing 230/115 kilovolt transmission line constitutes “the replacement of an existing facility with a like facility” and therefore, does not constitute “construction of a major utility facility” for which certification would be required under the Utility Facility Siting Act and Environmental Protection Act.

In support of this Joint Motion, the Parties state as follows:

I. JOINT MOTION TO APPROVE SETTLEMENT AGREEMENTS

1. On August 9, 2011, SCE&G filed an Application for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the construction and operation of a 230 kilovolt (“kV”) transmission line from its V.C. Summer Switchyard #1 to its Killian Transmission Substation and two 230 kV transmission lines from its V.C. Summer Switchyard #2 to its Lake Murray Transmission Substation (the “Application”). At the request of the Company, the Commission established this docket pursuant to the provisions in S.C. Ann. § 58-33-10 *et seq.* (1976 and Supp. 2010) (the “Siting Act”) and 26 S.C. Code Ann. Regs. 103-304 (1976, as amended).

2. The Town and the County both intervened in this docket and presented testimony before the Commission at the hearing in this matter.

3. On December 14, 2011, both the Town and the County respectively entered settlement agreements with SCE&G (respectively, the “Town Settlement Agreement,” and the “County Settlement Agreement,” collectively, the “Settlement Agreements”). The Settlement Agreements are attached hereto as Exhibits A and B to this motion.

4. The Settlement Agreements resolve all issues and contentions raised by the Town and the County; and in consideration of the Settlement Agreements, both the Town and the County have agreed to support the issuance of a Certificate of Environmental Compatibility and Public Convenience and Necessity as requested by SCE&G in its Application in this docket.

5. Pursuant to S.C. Code Ann. §§ 58-4-10(B) (Supp. 2010), ORS is charged by law with the duty to represent the public interest of South Carolina in these proceedings.

Accordingly, ORS appeared as a statutory party to these proceedings and has conducted an extensive review of the Application and SCE&G's supporting documentation.

6. No other party has intervened in these proceedings to present evidence in these proceedings.¹

7. At the hearing in this case, ORS's witness, Mr. Michael Seaman-Huynh, testified in support of SCE&G's request for the issuance of the Certificate of Environmental Compatibility and Public Convenience and Necessity in this docket.

8. Accordingly, all parties who have intervened in this proceeding now support the issuance of the Certificate of Environmental Compatibility and Public Convenience and Necessity as requested by SCE&G in its Application in this docket.

9. Under the Town Settlement Agreement, SCE&G has agreed to make payment to the Town in the amount of \$450,000 and to configure the Winnsboro-Blythewood Segment of the VSC1-Killian 230 kV Transmission Line in a manner acceptable to the Town. Under the County Settlement Agreement, SCE&G has agreed to make payment to the County in the amount of \$1,000,000, and to relocate an existing 230/115 kV line (the "Existing Line") on the site of property purchased by the County for a recreation sports complex. For its part, the County has agreed to sell rights-of-way to SCE&G across three parcels of property for a combined price of \$300,000.

¹ Pursuant to S.C. Code Ann. § 58-33-140 (Supp. 2010), the Department of Health and Environmental Control, the Department of Natural Resources, and the Department of Parks, Recreation and Tourism are statutory parties to this proceeding (collectively, "Statutory Parties"). None of the Statutory Parties appeared at the hearing in this proceeding.

10. The Settlement Agreements support the public interest because they eliminate a significant source of uncertainty and potential delay associated with SCE&G's project to construct two new AP1000 nuclear units at the site of the V.C. Summer Nuclear Station. As indicated in the testimony of SCE&G's witness Stephen A. Byrne, changes to the routing of these lines could require amendments to the environmental reports and environmental impact statements on which the permitting and licensing of the units by the Nuclear Regulatory Commission and other agencies is proceeding, thereby potentially delaying the issuance of these key permits and licenses.

11. The Parties jointly move that the Commission approve the Settlement Agreements.

II. JOINT REQUEST FOR DETERMINATION THAT THE REPLACEMENT OF AN EXISTING FACILITY WITH A LIKE FACILITY DOES NOT CONSTITUTE CONSTRUCTION OF A MAJOR FACILITY

12. As stated above, SCE&G owns and operates the Existing Line which crosses a parcel of property owned by the County where the County plans to construct a regional recreation sports complex. In the County Settlement Agreement, SCE&G has agreed to relocate the Existing Line to another portion of the property along the route shaded in green on Exhibit B to the County Settlement Agreement.

13. SCE&G would show that the relocation of the Existing Line will take place entirely on property owned by the County, and will not change the capacity or function of the Existing Line in any material way, and as such constitutes "[t]he replacement of an existing facility with a like facility" and so does "not constitute construction of a major utility facility" for purposes of the Siting Act. S.C. Code Ann. § 58-33-110(1) (1976).

14. SCE&G respectfully requests that in approving the Settlement Agreements, or in otherwise issuing the order in this matter, that the Commission make the determination that the relocation of the Existing Line constitutes a like facility replacement as set forth in S.C. Code Ann. § 58-33-110(1) and therefore, does not constitute “construction of a major utility facility” for which certification would be required under the Utility Facility Siting Act and Environmental Protection Act.

WHEREFORE, having fully set forth their Explanatory Brief and Joint Motion, the Parties request that the Commission (i) issue an order approving the Settlement Agreements as just, fair and reasonable and supported by substantial evidence and (ii) making the determination that the relocation of the Existing Line constitutes a like facility replacement as set forth in S.C. Code Ann. § 58-33-110(1).

[SIGNATURE PAGES FOLLOW]

Respectfully submitted,

South Carolina Electric & Gas Company



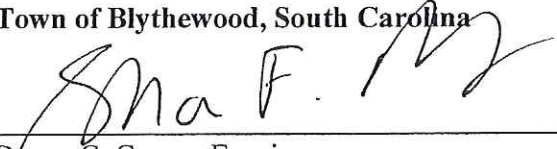
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December 14, 2011
Columbia, South Carolina

Town of Blythewood, South Carolina

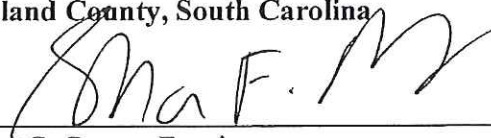


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Attorneys for the Town of Blythewood

December 14, 2011
Columbia, South Carolina

Richland County, South Carolina



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Attorneys for Richland County, South Carolina

December 14, 2011
Columbia, South Carolina

DOCKET NO. 2011-325-E

Application of South Carolina Electric & Gas Company for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the Construction and Operation of a 230 kV Transmission Line from its V.C. Summer Switchyard #1 to its Killian Transmission Substation and two 230 kV Transmission Lines from its V.C. Summer Switchyard #2 to its Lake Murray Transmission Substation

SETTLEMENT AGREEMENT

WHEREAS, the above-captioned proceeding has been established by the Public Service Commission of South Carolina (“Commission”) pursuant to the provisions in S.C. Code Ann. §58-33-10 *et. seq.* (1976 & Supp. 2010) (“the Siting Act”) at the request of SCE&G, and the Parties to this Settlement Agreement are parties of record in the above-captioned docket;

Substation, located in Richland County, and two 230 kV Transmission Lines from its V.C.

Summer Switchyard #2 to its Lake Murray Transmission Substation, located in Lexington County (“Application”);

WHEREAS, the selected route for the Winnsboro-Blythewood Segment of the VCS1-Killian 230 kV Line runs within the existing SCE&G right-of-way corridor and crosses Blythewood Road near the intersection of Blythewood Road and northbound I-77 at Exit 27, (“Exit 27”);

WHEREAS, the Town has already spent a significant amount of money on landscape enhancement projects for Exit 27;

WHEREAS, the Town believes that the portion of the selected route for the Winnsboro-Blythewood Segment which runs through Exit 27 will adversely affect beautification of the Town, and will detract substantially from Blythewood’s attempts to attract new businesses to the area;

WHEREAS, the Town requested that SCE&G either bury the line underground in the immediate vicinity of Exit 27 or reroute the line so as to avoid Exit 27;

WHEREAS, SCE&G asserts that the cost to underground the 230 kV Winnsboro-Blythewood Segment in the immediate vicinity of Exit 27 is prohibitively expensive;

WHEREAS, the Nuclear Regulatory Commission has issued a final Environmental Impact Statement for the V.C. Summer Units 2 and 3 project;

WHEREAS, the final Environmental Impact Statement is based on an amended Environmental Report, which incorporates a decision by SCE&G to site the Winnsboro-Blythewood Segment within the existing SCE&G right-of-way corridor;

WHEREAS, any deviation from the route as described in the amended Environmental Report, on which the final Environmental Impact Statement was based, could require a revision to the Environmental Impact Statement;

WHEREAS, a revision to the Environmental Impact Statement would delay current licensing activities for V.C. Summer Units 2 and 3 and thereby place the issuance of a Combined Operating License during the late 2011/early 2012 timeframe in jeopardy;

WHEREAS, the Parties have varying legal positions regarding the issues in this case;

WHEREAS, the Parties have engaged in discussions to determine if a Settlement Agreement would be in the best interest of all Parties;

WHEREAS, following these discussions the Parties have each determined that their interests, and those of the public, would be best served by reaching an agreement on matters set forth in SCE&G's Application in the above-captioned case under the terms and conditions set forth below:

THEREFORE, as a compromise and comprehensive resolution of the matters set forth in this docket, the following is adopted, accepted, and acknowledged as the agreement of the Parties:

1. SCE&G agrees to make payment to the Town in the amount of four hundred fifty thousand and no/100 U.S. dollars (\$450,000.00), to be paid in equal installments annually beginning in 2012 and ending in 2016 in accordance with the following payment schedule:

<u>Payment Date</u>	<u>Amount</u>
January 15, 2012	\$90,000
January 15, 2013	\$90,000
January 15, 2014	\$90,000
January 15, 2015	\$90,000
January 15, 2016	\$90,000

Payment Method: Each payment shall be made via check payable to the Town of Blythewood and delivered to the Town via U.S. First Class Mail at the following address:

Town of Blythewood
P.O. Box 1004
Blythewood, South Carolina 29016

In the event that payment is not received by the Town in accordance with the payment schedule set forth above, then the Town shall provide written notification to SCE&G via Certified U.S. Mail, Return Receipt Requested at the address below advising SCE&G of the delinquent payment. Upon receipt of the Town's written notification, SCE&G shall provide payment to the Town within ten (10) days.

South Carolina Electric & Gas Company
Attn: Kenneth R. Jackson
220 Operation Way, MC C111
Cayce, South Carolina 29033

2. The Parties have agreed on the following visual appearance of the transmission line as it crosses Blythewood Road. Specifically, as the Winnsboro-Blythewood Segment of the VCS1-Killian 230 kV Line approaches Exit 27 from the north, the Town has asked SCE&G to locate one pole with a back-to-back, braced post configuration, i.e., one 3-phase line on each side of the pole (see attached Figure 1 for typical illustration), on the north side of Exit 27 and to locate another pole with a design-required back-to-back, steel arm configuration on the south side of Exit 27 near the Hardee's Restaurant (see attached Figure 2 for typical installation). Accordingly, circuit wires will transition from a back-to-back to a back-to-back configuration between the two poles. The Town has also asked SCE&G to not locate any other pole between these two poles. The attached Figure 3 shows the approximate location of each of the two poles.

3. SCE&G has informed the Town that in order to accommodate the visual appearance of the transmission line as set forth in Paragraph 2 the Exxon signage on the north side of Exit 27 must either be removed or relocated in a timely manner so as to provide SCE&G

with sufficient time to meet critical design, material and construction scheduling milestone dates for the new transmission line.

4. In light of Paragraphs 2 and 3 above, the Town, on or before March 31, 2012, will enter into a written agreement, a copy of which will be provided to SCE&G, with the owner of the existing Exxon signage on the north side of Exit 27 setting forth a detailed plan to remove or sufficiently relocate the existing Exxon signage no later than June 30, 2012. Any and all expenses incurred by the Town as a result of removing and/or relocating the Exxon signage shall be borne solely by the Town. Such removal and relocation will allow SCE&G to design and construct the transmission line segment crossing Blythewood Road in accordance with the Town's visual preference as stated in Paragraph 2. For purposes of this Settlement Agreement, the existing Exxon signage will be deemed to be sufficiently relocated if it is relocated in such a manner as to accommodate the design and construction of the Winnsboro-Blythewood Segment of the VCS1-Killian 230 kV Line consistent with all applicable state and federal laws and regulations and as described in Paragraph 2. If the Town enters into a written agreement as described above with the owner of the existing Exxon signage on the north side of Exit 27 on or before March 31, 2012, and the Exxon signage is removed or sufficiently relocated no later than June 30, 2012, in a manner that will accommodate the design and construction of the Winnsboro-Blythewood Segment of the VCS1-Killian 230 kV Line as described in Paragraph 2, then SCE&G will construct the new transmission line in accordance with the Town's selected visual preference as described in Paragraph 2.

5. If the Town does not enter into the written agreement described in Paragraph 4 with the owner of the existing Exxon signage on the north side of Exit 27 on or before March 31, 2012, or if the Exxon signage is not removed or sufficiently relocated no later than June 30,

2012, in a manner that will accommodate the design and construction of the Winnsboro-Blythewood Segment of the VCS1-Killian 230 kV Line as described in Paragraph 2, then SCE&G will construct the new transmission line in accordance with the Town's next selected visual preference described as follows: As the Winnsboro-Blythewood Segment of the VCS1-Killian 230 kV Line approaches Exit 27 from the north, SCE&G will locate one pole with a stacked configuration, i.e., two 3-phase lines, one above the other (see attached Figure 4 for typical illustration), on the north side of Exit 27 and will locate another pole with a design-required back-to-back, steel arm configuration on the south side of Exit 27 near the Hardee's Restaurant (see attached Figure 2 for typical installation). Accordingly, circuit wires will transition from a stacked to a back-to-back configuration between the two poles. SCE&G will not locate any other pole between these two poles. The attached Figure 3 shows the approximate location of each of the two poles.

6. The Town will not oppose the Commission's approval of SCE&G's Application for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the Construction and Operation of a 230 kV Transmission Line from its V.C. Summer Switchyard #1 to its Killian Transmission Substation and two 230 kV Transmission Lines from its V.C. Summer Switchyard #2 to its Lake Murray Transmission Substation.

7. The Parties agree this Settlement Agreement is reasonable, in the public interest and in accordance with law and regulatory policy.

8. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable and full resolution in the above-captioned proceeding. The

Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.


9. This written Settlement Agreement contains the complete agreement of the Parties. There are no other terms and conditions to which the Parties have agreed. The Parties agree that this Settlement Agreement will not constrain, inhibit or impair their arguments or positions held in future proceedings, nor will the Settlement Agreement or any of the matters agreed to in it be used as evidence or precedent in any future proceeding. If the Commission should decline to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty.

10. This Settlement Agreement shall be interpreted according to South Carolina law. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by authorizing the undersigned representative to affix his or her signature to this document where indicated below. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

[SIGNATURE PAGES FOLLOW]

WE AGREE:

Representing and binding South Carolina Electric & Gas Company



K. Chad Burgess, Esquire

Matthew W. Gissendanner, Esquire

South Carolina Electric & Gas Company

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Cayce, South Carolina 29033

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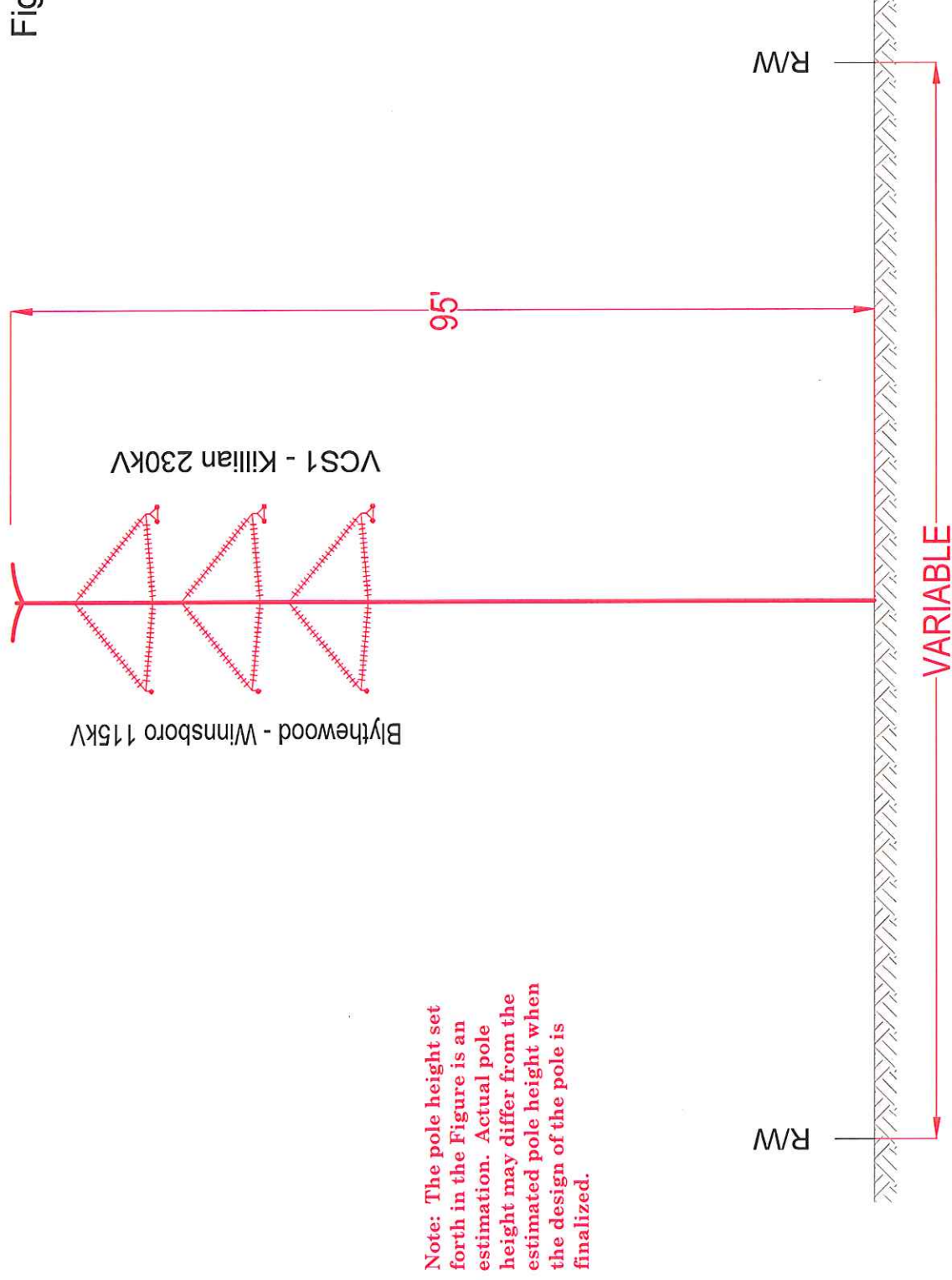
WE AGREE:

Binding the Town of Blythewood

A handwritten signature in black ink, appearing to read 'Keith Bailey', is written over a horizontal line.

Keith Bailey
Mayor, Town of Blythewood
PO Box 1004
171 Langford Road
Blythewood, South Carolina 29016

Figure 1



Note: The pole height set forth in the Figure is an estimation. Actual pole height may differ from the estimated pole height when the design of the pole is finalized.

VCS1 - Killian 230 kV Line Winnsboro Substation - Blythewood Substation Site (Future) Segment

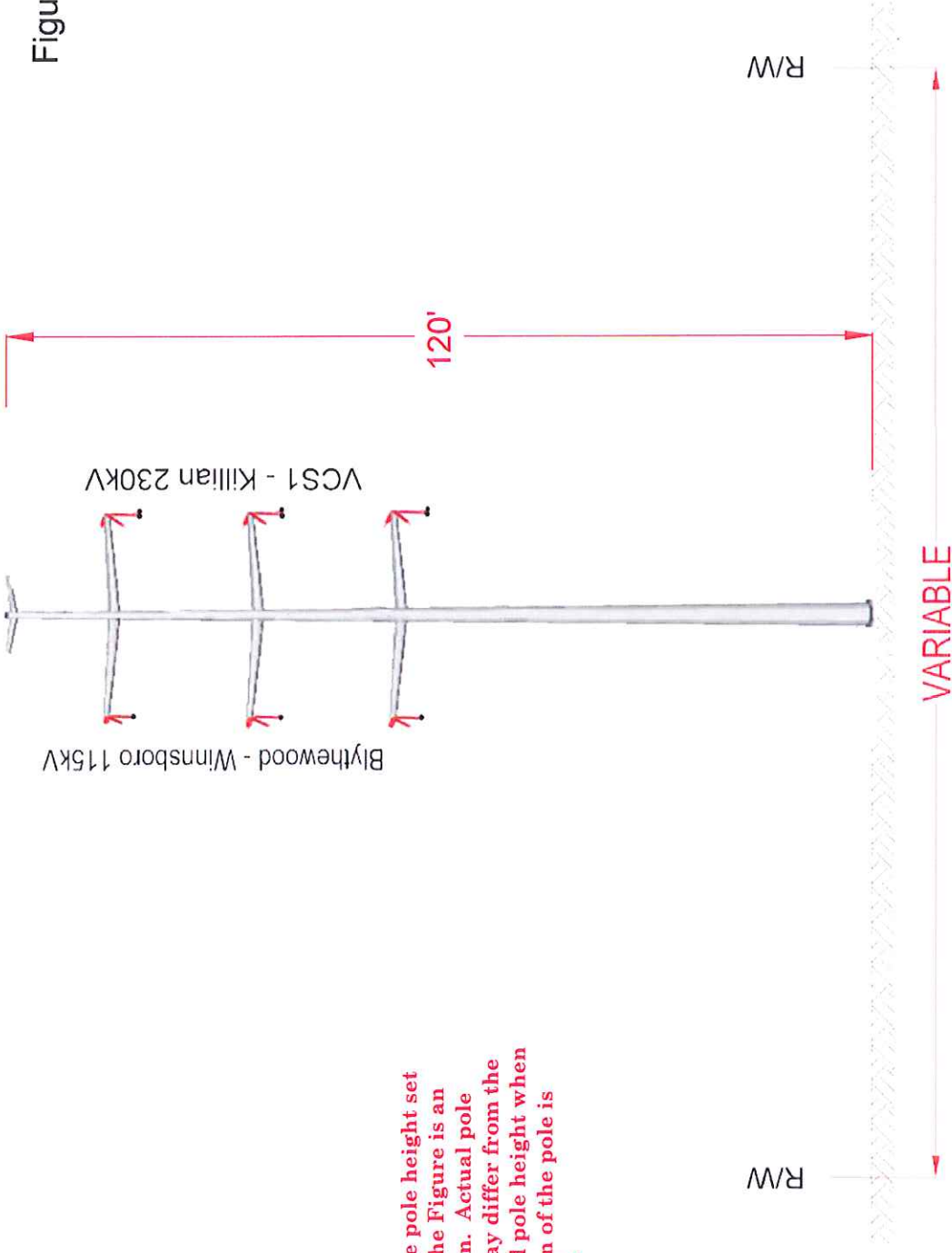


Figure 2

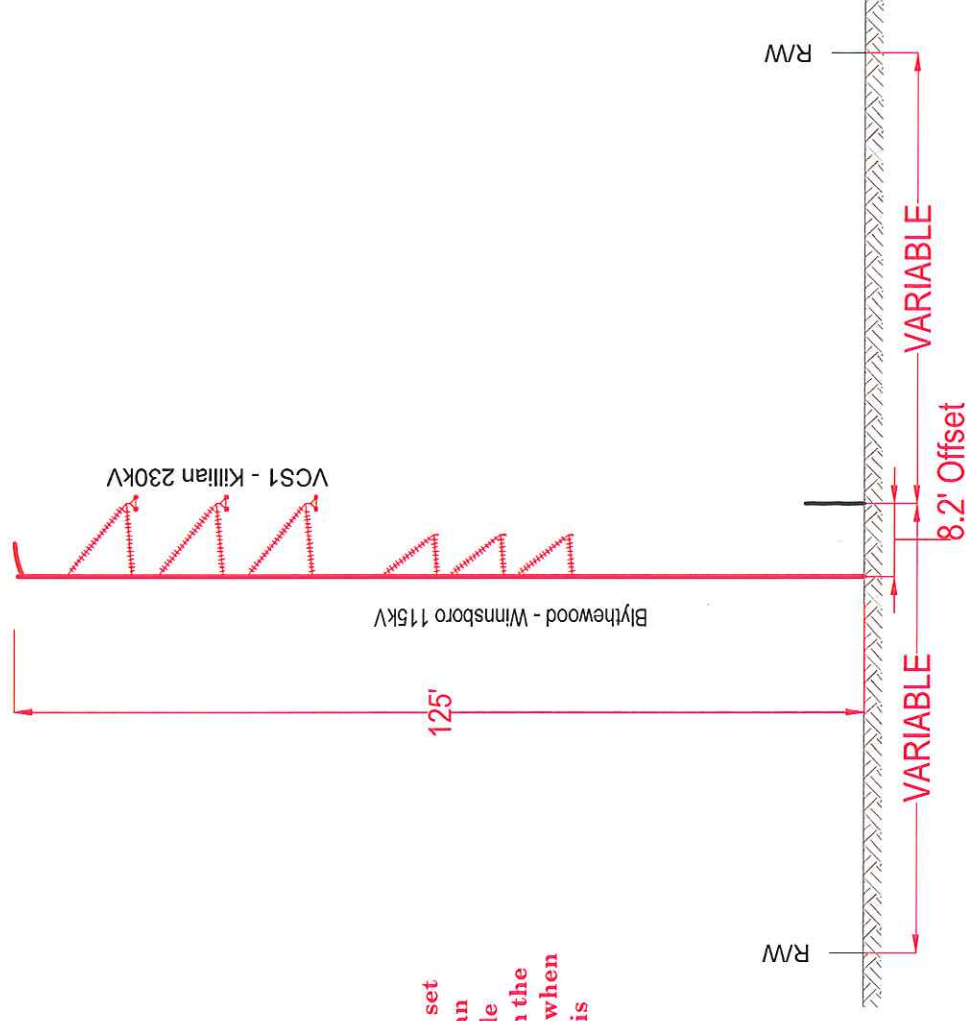
Note: The pole height set forth in the Figure is an estimation. Actual pole height may differ from the estimated pole height when the design of the pole is finalized.

VCS1 - Killian 230 kV Line
Winnsboro Substation - Blythwood Substation Site (Future) Segment

Figure 3



Figure 4



Note: The pole height set forth in the Figure is an estimation. Actual pole height may differ from the estimated pole height when the design of the pole is finalized.

VCS1 - Killian 230 kV Line
Winnsboro Substation - Blythwood Substation Site (Future) Segment

Summer Switchyard #2 to its Lake Murray Transmission Substation, located in Lexington County (the “Application”);

WHEREAS, the selected route for the Blythewood-Killian Segment of the VCS1-Killian 230 kV Line (the “Line”) runs along a route known as Route K in the siting selection study for that line (the “Route” or “Selected Route”);

WHEREAS, the County owns a parcel of property (the “Property”) that the Line will cross where the County intends to build a new recreation sports complex;

WHEREAS, the new recreation sports complex will be a major and much-needed recreational amenity for the I-77 corridor that will contribute to its continued development;

WHEREAS, the I-77 corridor is one of the fastest growing areas in the region in terms of industrial, commercial and residential growth and the development of the I-77 corridor has generated important new load for SCE&G’s system;

WHEREAS, an existing 230/115 kV line crosses the Property (the “Existing 230/115kV Line”) and will need to be relocated to allow the recreation sports complex to be developed as planned;

WHEREAS, the Line will also cross other parcels owned by the County either in its own name or in the name of the Richland County Conservation Commission (the “Additional Parcels”);

WHEREAS, SCE&G will need to acquire right-of-way from the County to construct and operate the Line across the Property and the Additional Parcels;

WHEREAS, the Nuclear Regulatory Commission has issued a final Environmental Impact Statement for the V.C. Summer Units 2 and 3 project;

WHEREAS, the final Environmental Impact Statement is based on an amended Environmental Report, which incorporates a decision by SCE&G to site the Blythewood-Killian Segment along the Selected Route;

WHEREAS, any deviation from the Selected Route as described in the amended Environmental Report, on which the final Environmental Impact Statement is based, could require a revision to the Environmental Impact Statement;

WHEREAS, a revision to the Environmental Impact Statement would delay current licensing activities for V.C. Summer Units 2 and 3 and thereby place the issuance of a Combined Operating License for them during the late 2011/early 2012 timeframe in jeopardy;

WHEREAS, the Parties have varying legal positions regarding the issues in this case;

WHEREAS, the Parties have engaged in discussions to determine if a Settlement Agreement would be in the best interest of all Parties;

WHEREAS, following these discussions the Parties have each determined that their interests, and those of the public, would be best served by reaching an agreement on matters set forth in SCE&G's Application in the above-captioned case under the terms and conditions set forth below:

THEREFORE, as a compromise and comprehensive resolution of the matters set forth in this docket and related to the acquisition of right-of-way by SCE&G from the County, the following is adopted, accepted, and acknowledged as the agreement of the Parties:

1. For a payment of Three Hundred Thousand Dollars (\$300,000.00) to be paid at closing of the rights-of-way transfer, the County will provide SCE&G with right-of-way for the Line on the Property and the Additional Parcels in such locations, dimensions, amounts, and forms, and on such terms and conditions as are set forth in Exhibit A hereto. The closing of the

rights-of-way transfer shall take place at a date and place to be set by SCE&G on not less than three (3) days' notice to the County. At closing, the County shall provide SCE&G with a certificate in a form reasonably agreeable to SCE&G representing and warranting that the County has the authority to grant the right-of-way to SCE&G free and clear of, or senior to, all prior liens and encumbrances (specifically including any leasehold interest held by any other party) and that the County has taken all steps necessary to authorize the individuals executing the right-of-way documents to sign them on behalf of the County. The County attorney shall issue an opinion as to the validity of those representations and warranties.

2. The County further agrees that it will not oppose, inhibit, delay, or block SCE&G's acquisition of right-of-way for the VCS1-Killian 230 kV Line across the proposed Killian's Crossing Planned Development District.

3. As further consideration for resolution of the County's issues in this proceeding, SCE&G agrees to make payment to the County in the amount of One Million Dollars (\$1,000,000.00). Such payment shall be made via check payable to the County and delivered to the County at closing of the transfer of rights-of-way to SCE&G for the Line.

4. Contemporaneously with the execution of this Settlement Agreement, SCE&G will seek a determination from the Commission that the replacement and relocation of the Existing 230/115 kV Line constitutes "the replacement of an existing facility with a like facility," as contemplated under S.C. Code Ann. § 58-33-110 (1976, as amended). Upon such determination by the Commission, SCE&G agrees that at its own expense it will relocate the Existing 230/115 kV Line on the Property along the route shaded in green ("Relocation Route") as set forth in Exhibit B hereto. The County will provide SCE&G with right-of-way for the Relocation Route in such dimensions, amounts, and forms as necessary to relocate the Existing

230/115 kV Line on the Property. After SCE&G relocates the Existing 230/115 kV Line on the Property to the Relocation Route, the Company will release to the County the right-of-way used for the Existing 230/115 kV Line, which is shaded in red on Exhibit B. The typical pole that will be used on the Property is shown in Exhibit C.

5. In furtherance of relocating the Existing 230/115 kV Line, should SCE&G be required to obtain a Section 404 permit from the U.S. Army Corps of Engineers ("USACE") and is unable to obtain such permit, then SCE&G agrees to modify the existing transmission line within the existing right-of-way to accommodate Richland County's plans for parking facilities within the right-of-way. In the event that SCE&G is required to conduct any mitigation concerning the wetlands along the Relocation Route, then SCE&G agrees to give Richland County the first option to sell SCE&G mitigation credits from an existing Richland County owned USACE-approved bank or Richland County owned site specific mitigation to fulfill the above requirement along the Relocation Route. However, the amount of mitigation credits purchased by SCE&G shall be limited to the amount of credits necessary for SCE&G to satisfy its mitigation obligation along the Relocation Route.

6. The County hereby withdraws all contentions, issues and objections adverse to the Company's position in this matter that it has raised by its witnesses, through cross examination or by any other means. The County agrees that it will not oppose the Commission's approval of SCE&G's Application for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the Construction and Operation of a 230 kV Transmission Line from its V.C. Summer Switchyard #1 to its Killian Transmission Substation and two 230 kV Transmission Lines from its V.C. Summer Switchyard #2 to its Lake Murray Transmission Substation.

6. The Parties agree this Settlement Agreement is reasonable, in the public interest and in accordance with law and regulatory policy.

7. The Parties agree to cooperate in good faith with one another in recommending to the Commission that this Settlement Agreement be accepted and approved by the Commission as a fair, reasonable and full resolution in the above-captioned proceeding. The Parties agree to use reasonable efforts to defend and support any Commission order issued approving this Settlement Agreement and the terms and conditions contained herein.

8. This written Settlement Agreement contains the complete agreement of the Parties. There are no other terms and conditions to which the Parties have agreed. The Parties agree that this Settlement Agreement will not constrain, inhibit or impair their arguments or positions held in future proceedings, nor will the Settlement Agreement or any of the matters agreed to in it be used as evidence or precedent in any future proceeding. If the Commission should decline to approve the Settlement Agreement in its entirety, then any Party desiring to do so may withdraw from the Settlement Agreement without penalty.

9. This Settlement Agreement shall be interpreted according to South Carolina law. The above terms and conditions fully represent the agreement of the Parties hereto. Therefore, each Party acknowledges its consent and agreement to this Settlement Agreement by authorizing its undersigned representative to affix his or her signature to this document where indicated below. The representative's signature represents his or her representation that he or she is authorized to execute the agreement. Facsimile signatures and e-mail signatures shall be as effective as original signatures to bind any party. This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Settlement Agreement.

WE AGREE:

Representing and binding South Carolina Electric & Gas Company

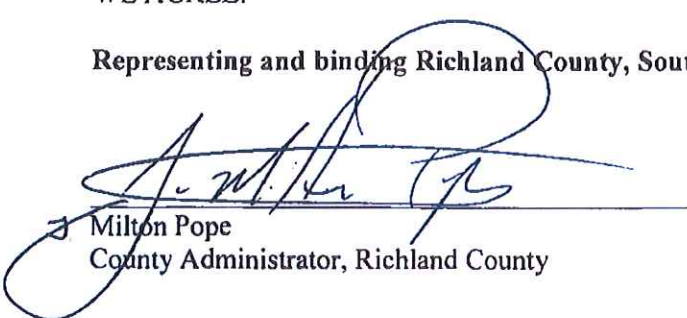


K. Chad Burgess, Esquire
Matthew W. Gissendanner, Esquire
South Carolina Electric & Gas Company
220 Operation Way, MC C222
Cayce, South Carolina 29033
Phone: 803.217.8141
Fax: 803.217.7810
Email: chad.burgess@scana.com
matthew.gissendanner@scana.com


Belton T. Zeigler, Esquire
Pope Zeigler, LLC
1411 Gervais St.
Post Office Box 11509
Columbia, SC 29211
Phone: 803.354.4949
Fax: 803.354.4898
Email: bzeigler@popezeigler.com

WE AGREE:

Representing and binding Richland County, South Carolina



Milton Pope
County Administrator, Richland County



Richland County Attorney's Office
Approved As To LEGAL Form Only.
No Opinion Rendered As To Content.

State of South Carolina)
)
County of Richland)

KNOW ALL MEN BY THESE PRESENTS that I (WE) **Richland County** of the County and State aforesaid, hereinafter sometimes referred to as "Grantor" (whether singular or plural), for and in consideration of the sum of One Dollar (\$1.00) to me (us) in hand paid, receipt of which is hereby acknowledged at and before signing and sealing of these presents, do hereby bargain, grant and convey to the SOUTH CAROLINA ELECTRIC & GAS COMPANY, a South Carolina corporation having its principal office in Cayce, South Carolina, hereinafter sometimes referred to as "Grantee", a right of way, over such route as Grantee has selected, having a width of ****Varying Width See Exhibit A**** feet, upon, over, under and across lands of Grantor situated in the County of **Richland**, State of South Carolina, described as follows: Being a tract or lot of land containing **206.00 acres**, more or less, and being the same lands conveyed to Grantor by deed of **South Capital Group, Inc.**, dated 11/16/2006, and recorded in the Register of Deeds Office for **Richland County** in **Deed Book R1252 at Page 3770** (the "Property").

Property is located on the western side of Farrow Road.

Right of way is as shown on South Carolina Electric & Gas Company drawing PA-10021-60347, attached hereto as "Exhibit A".

Actual right of way location may vary slightly after construction. An as-built drawing showing the final location will be on file in the office of the Grantee after construction is completed.

17300-02-10

Together with the right to construct, maintain, operate, replace and alter thereon and thereunder one or more lines for the transmission or distribution of electric energy, consisting of supporting structures, overhead and underground conductors and lightning protective wires, municipal, public or private communication wires, guys, push braces and other accessory apparatus and equipment deemed by Grantee to be necessary or desirable thereof, as well as the right to install, maintain and use anchors and guy wires on land adjacent to the right of way herein granted.

Together also with the right from time to time to redesign, rebuild or alter said lines and to install such additional lines, apparatus and equipment as Grantee may at any time deem necessary or desirable, and the right to remove any line or any part thereof.

Together also with the right of ingress, egress, and access to and from the right of way across and upon the Property as may be necessary or convenient for purposes connected with said right of way.

Grantee shall have the right from time to time to remove or clear and keep clear such trees, underbrush, structures and other obstructions upon said right of way and such trees ("danger trees") beyond the same as in the judgment of Grantee may interfere with or endanger said lines or appurtenances when erected; provided that Grantee will pay to Grantor the fair market value of such danger trees at the time of cutting as determined by a registered professional forester, and the right of entry upon said Property of Grantor for all of the purposes aforesaid.

PROVIDED, however, any damage to the property of Grantor (other than to property cleared or removed as hereinbefore provided) caused by Grantee in the course of constructing, rebuilding or repairing said lines shall be borne by Grantee.

Reserving, however, to Grantor the right to cultivate and use the ground within the limits of said right of way, provided that such use shall not interfere with or obstruct the rights herein granted, and provided further that no building or other structure shall be erected by Grantor within the width of said right of way, except as agreed by Grantee.

And it is a condition of this grant that Grantee shall tender, and Grantor shall accept, Grantee's check in the sum of _____ (\$ _____) Should any liens and encumbrances exist, Grantee reserves the right at its discretion to pay all or any portion of the consideration for this agreement to the holders of any liens on the Property. Such payments to lien holders shall be part of the consideration for this agreement to the same effect as if made directly to the Grantor.

TO HAVE AND TO HOLD the aforesaid rights by Grantee, its successors and assigns, as aforesaid.

And Grantor agrees to warrant and forever defend the above granted rights against themselves or their heirs and against any other person lawfully claiming or to claim the same or any part thereof.

The word "Grantor" shall include Grantor's heirs, executors, administrators, successors, and assigns, as the case may be. The word "Grantee" shall include Grantee's successors and assigns and its wholly or partially owned subsidiaries.

IN WITNESS WHEREOF, Grantor has duly executed this indenture the _____ day of _____, 2011.

WITNESS:

Richland County

1st Witness

By: _____ (SEAL)
Name: _____ Title: _____

2nd Witness

ACKNOWLEDGMENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF **Richland**)

The foregoing instrument was acknowledged before me, the undersigned Notary, and I do hereby certify that the within named _____ of **Richland County**, personally appeared before me this day and that the above named acknowledged the due execution of the foregoing instrument.

Sworn to before me this _____ day of _____, 2011

Signature of Notary Public State of SC

My commission expires: _____

**RIGHT OF WAY GRANT TO
SOUTH CAROLINA ELECTRIC & GAS COMPANY**

Line: **VCS1-Killian 230 Kv Line - Blythewood-Killian Section**

County: **Richland**

R/W File Number: **17024 TL-411**

Grantor(s): **Richland County**

Return to: SCE&G

RICHLAND COUNTY EXHIBIT "A"

LEGAL DESCRIPTION OF EASEMENT AREA
From the POINT OF BEGINNING, Thence, N 42° 27' 32" E for a distance of 21.15 feet to a point on a line;
Thence, S 55° 30' 45" E for a distance of 130.86 feet to a point on a line;
Thence, S 23° 30' 42" W for a distance of 82.92 feet to a point on a line;
Thence, N 55° 27' 45" W for a distance of 130.20 feet to a point on a line;
Thence, N 58° 32' 14" W for a distance of 30.46 feet to a point on a line;
Thence, N 42° 27' 32" E a distance of 61.13 feet to the POINT OF BEGINNING.

Containing 106.188 square feet

Line #	Length	Direction
L1	21.15	N42-27-32E
L2	130.86	S55-30-45E
L3	82.92	S23-30-42W
L4	130.20	N55-27-45W
L5	30.46	N58-32-14W
L6	61.13	N42-27-32E

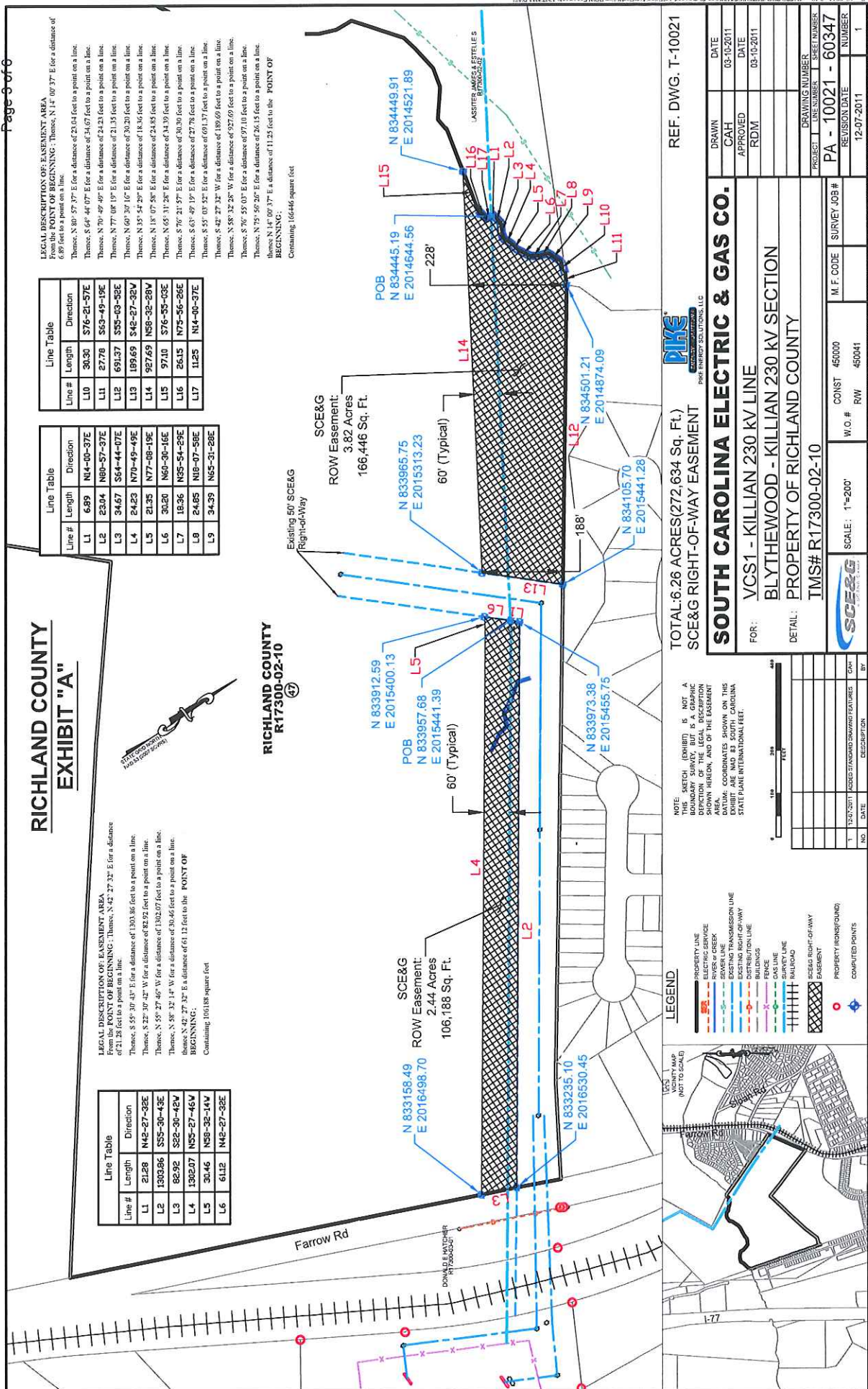
Line #	Length	Direction
L10	30.30	S76-21-57E
L11	27.78	S63-49-19E
L12	69.37	S35-03-98E
L13	189.69	S42-27-32W
L14	927.69	N58-32-28W
L15	97.10	S76-55-03E
L16	26.15	N75-56-26E
L17	11.25	N14-00-37E

Line #	Length	Direction
L1	6.89	N14-00-37E
L2	23.04	N80-57-37E
L3	34.67	S64-44-07E
L4	24.23	N70-49-49E
L5	21.35	N77-08-19E
L6	30.20	N60-30-16E
L7	18.36	N60-30-16E
L8	24.65	N15-07-58E
L9	34.39	N55-31-28E

LEGAL DESCRIPTION OF EASEMENT AREA
From the POINT OF BEGINNING, Thence, N 14° 00' 37" E for a distance of 6.89 feet to a point on a line;
Thence, N 80° 57' 37" E for a distance of 21.04 feet to a point on a line;
Thence, S 64° 44' 07" E for a distance of 24.67 feet to a point on a line;
Thence, N 70° 49' 49" E for a distance of 21.35 feet to a point on a line;
Thence, N 77° 08' 19" E for a distance of 21.35 feet to a point on a line;
Thence, N 60° 30' 16" E for a distance of 30.20 feet to a point on a line;
Thence, N 58° 32' 14" W for a distance of 30.46 feet to a point on a line;
Thence, N 15° 07' 58" E for a distance of 24.65 feet to a point on a line;
Thence, N 60° 31' 28" E for a distance of 34.39 feet to a point on a line;
Thence, S 76° 21' 57" E for a distance of 30.30 feet to a point on a line;
Thence, S 55° 03' 52" E for a distance of 69.37 feet to a point on a line;
Thence, S 42° 27' 32" W for a distance of 189.69 feet to a point on a line;
Thence, N 58° 32' 28" W for a distance of 927.69 feet to a point on a line;
Thence, S 76° 55' 03" E for a distance of 97.10 feet to a point on a line;
Thence, N 75° 56' 26" E for a distance of 26.15 feet to a point on a line;
Thence, N 14° 00' 37" E for a distance of 11.25 feet to the POINT OF BEGINNING.

Containing 166.446 square feet

RICHLAND COUNTY R17300-02-10



NOTE: EXISTING (HATCHED) IS NOT A BOUNDARY SURVEY, BUT IS A GRAPHIC DEPICTION OF THE LEGAL DESCRIPTION SHOWN HEREIN, AND OF THE EASEMENT DATING: COORDINATES SHOWN ON THIS EXHIBIT ARE NAD 83 SOUTH CAROLINA STATE PLATE INTERNATIONAL FEET.

LEGEND

- PROPERTY LINE
- SEWER OR CREEK
- SEWER LINE
- EXISTING TRANSMISSION LINE
- DISTRIBUTION LINE
- BUILDINGS
- FENCE
- SURVEY LINE
- RAILROAD
- SEWER RIGHT-OF-WAY
- EASEMENT
- PROPERTY (HATCHED)
- COMPUTED POINTS

TOTAL: 6.28 ACRES (272,634 Sq. Ft.)
SCE&G RIGHT-OF-WAY EASEMENT

SOUTH CAROLINA ELECTRIC & GAS CO.

FOR: VCS1 - KILLIAN 230 KV LINE
BLYTHEWOOD - KILLIAN 230 KV SECTION
PROPERTY OF RICHLAND COUNTY
TMS# R17300-02-10

REF. DWG. T-10021

PROJECT	LINE NUMBER	SHEET NUMBER
PA - 10021 - 60347		
REVISION DATE	REVISION NUMBER	NUMBER
12-07-2011		1
DRAWN	DATE	
CAH	03-10-2011	
APPROVED	DATE	
ROM	03-10-2011	
M. F. CODE	CONSTR	45000
	W/O #	450041
SCALE: 1"=200'		

State of South Carolina)
)
County of Richland)

KNOW ALL MEN BY THESE PRESENTS that I (WE) **Richland County Conservation Commission** of the County and State aforesaid, hereinafter sometimes referred to as "Grantor" (whether singular or plural), for and in consideration of the sum of One Dollar (\$1.00) to me (us) in hand paid, receipt of which is hereby acknowledged at and before signing and sealing of these presents, do hereby bargain, grant and convey to the SOUTH CAROLINA ELECTRIC & GAS COMPANY, a South Carolina corporation having its principal office in Cayce, South Carolina, hereinafter sometimes referred to as "Grantee", a right of way, over such route as Grantee has selected, having a width of ****Varying Width See Exhibit**** feet, upon, over, under and across lands of Grantor situated in the County of **Richland**, State of South Carolina, described as follows: Being a tract or lot of land containing **236.40 acres**, more or less, and being the same lands conveyed to Grantor by deed of **Brickyard-Longtown, LLC**, dated **2/25/2010**, and recorded in the Register of Deeds Office for **Richland County** in **Deed Book R1596 at Page 1107 (the "Property")**.

Property is located off of Longgreen Parkway.

Right of way is as shown on South Carolina Electric & Gas Company drawing PA-10021-60331, attached hereto as "EXHIBIT A".

Actual right of way location may vary slightly after construction. An as-built drawing showing the final location will be on file in the office of the Grantee after construction is completed.

17500-03-66 and 17500-03-67

Together with the right to construct, maintain, operate, replace and alter thereon and thereunder one or more lines for the transmission or distribution of electric energy, consisting of supporting structures, overhead and underground conductors and lightning protective wires, municipal, public or private communication wires, guys, push braces and other accessory apparatus and equipment deemed by Grantee to be necessary or desirable thereof, as well as the right to install, maintain and use anchors and guy wires on land adjacent to the right of way herein granted.

Together also with the right from time to time to redesign, rebuild or alter said lines and to install such additional lines, apparatus and equipment as Grantee may at any time deem necessary or desirable, and the right to remove any line or any part thereof.

Together also with the right of ingress, egress, and access to and from the right of way across and upon the Property as may be necessary or convenient for purposes connected with said right of way.

Grantee shall have the right from time to time to remove or clear and keep clear such trees, underbrush, structures and other obstructions upon said right of way and such trees ("danger trees") beyond the same as in the judgment of Grantee may interfere with or endanger said lines or appurtenances when erected; provided that Grantee will pay to Grantor the fair market value of such danger trees at the time of cutting as determined by a registered professional forester, and the right of entry upon said Property of Grantor for all of the purposes aforesaid.

PROVIDED, however, any damage to the property of Grantor (other than to property cleared or removed as hereinbefore provided) caused by Grantee in the course of constructing, rebuilding or repairing said lines shall be borne by Grantee.

Reserving, however, to Grantor the right to cultivate and use the ground within the limits of said right of way, provided that such use shall not interfere with or obstruct the rights herein granted, and provided further that no building or other structure shall be erected by Grantor within the width of said right of way, except as agreed by Grantee.

And it is a condition of this grant that Grantee shall tender, and Grantor shall accept, Grantee's check in the sum of _____ Dollars (\$ _____). Should any liens and encumbrances exist, Grantee reserves the right at its discretion to pay all or any portion of the consideration for this agreement to the holders of any liens on the Property. Such payments to lien holders shall be part of the consideration for this agreement to the same effect as if made directly to the Grantor.

TO HAVE AND TO HOLD the aforesaid rights by Grantee, its successors and assigns, as aforesaid.

And Grantor agrees to warrant and forever defend the above granted rights against themselves or their heirs and against any other person lawfully claiming or to claim the same or any part thereof.

The word "Grantor" shall include Grantor's heirs, executors, administrators, successors, and assigns, as the case may be. The word "Grantee" shall include Grantee's successors and assigns and its wholly or partially owned subsidiaries.

IN WITNESS WHEREOF, Grantor has duly executed this indenture the _____ day of _____, 2011.

WITNESS:

Richland County Conservation Commission

1st Witness

By: _____ (SEAL)
Name: _____ Title: _____

2nd Witness

ACKNOWLEDGMENT

STATE OF SOUTH CAROLINA)
)
COUNTY OF **Richland**)

The foregoing instrument was acknowledged before me, the undersigned Notary, and I do hereby certify that the within named _____ of **Richland County Conservation Commission**, personally appeared before me this day and that the above named acknowledged the due execution of the foregoing instrument.

Sworn to before me this _____ day of _____, 2011

Signature of Notary Public State of SC

My commission expires: _____

**RIGHT OF WAY GRANT TO
SOUTH CAROLINA ELECTRIC & GAS COMPANY**

Line: **VCS1-Killian 230 Kv Line - Blythewood-Killian Section**

County: **Richland**

R/W File Number: **17024 TL-411**

Grantor(s): **Richland County Conservation Commission**

Return to: SCE&G

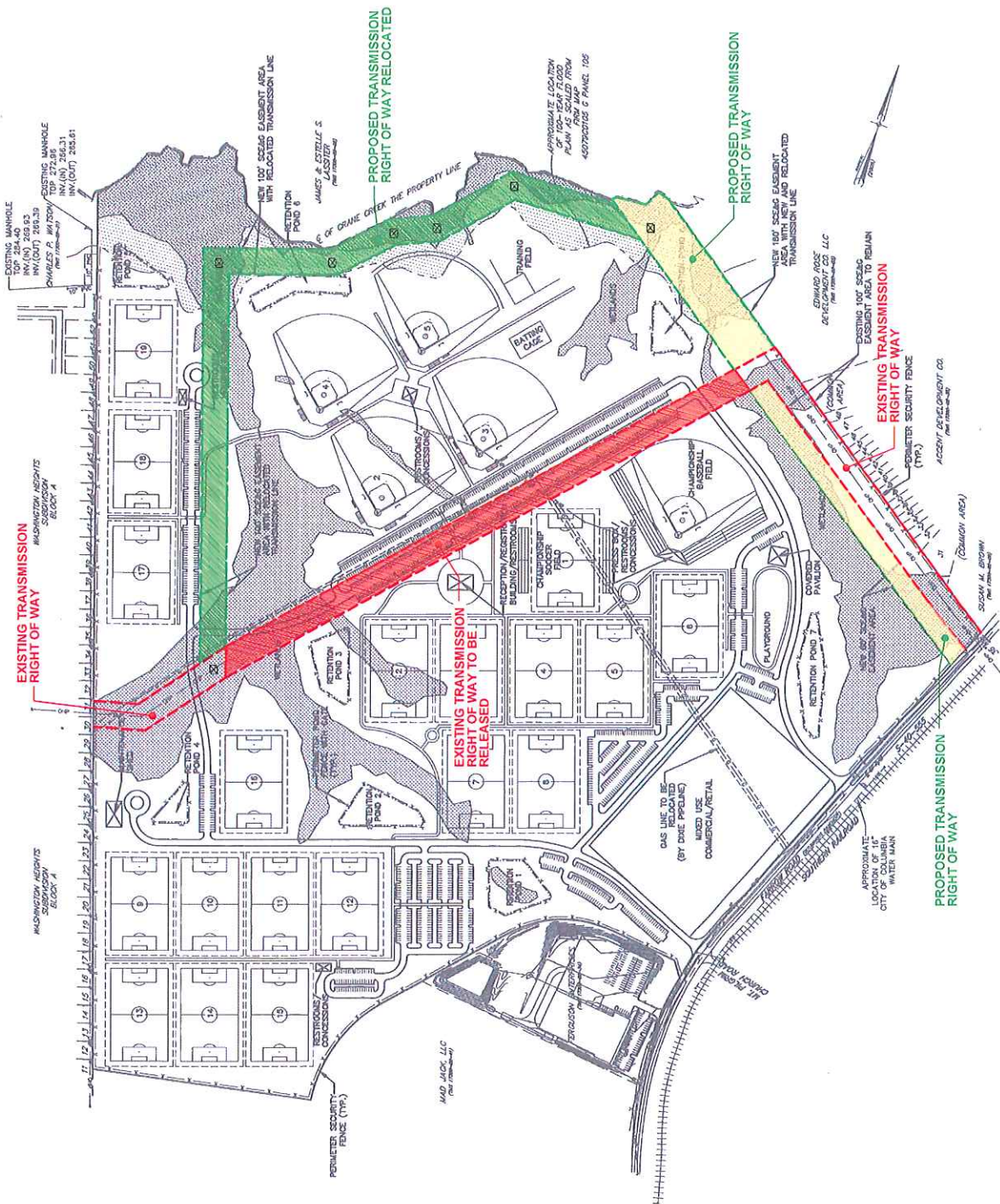
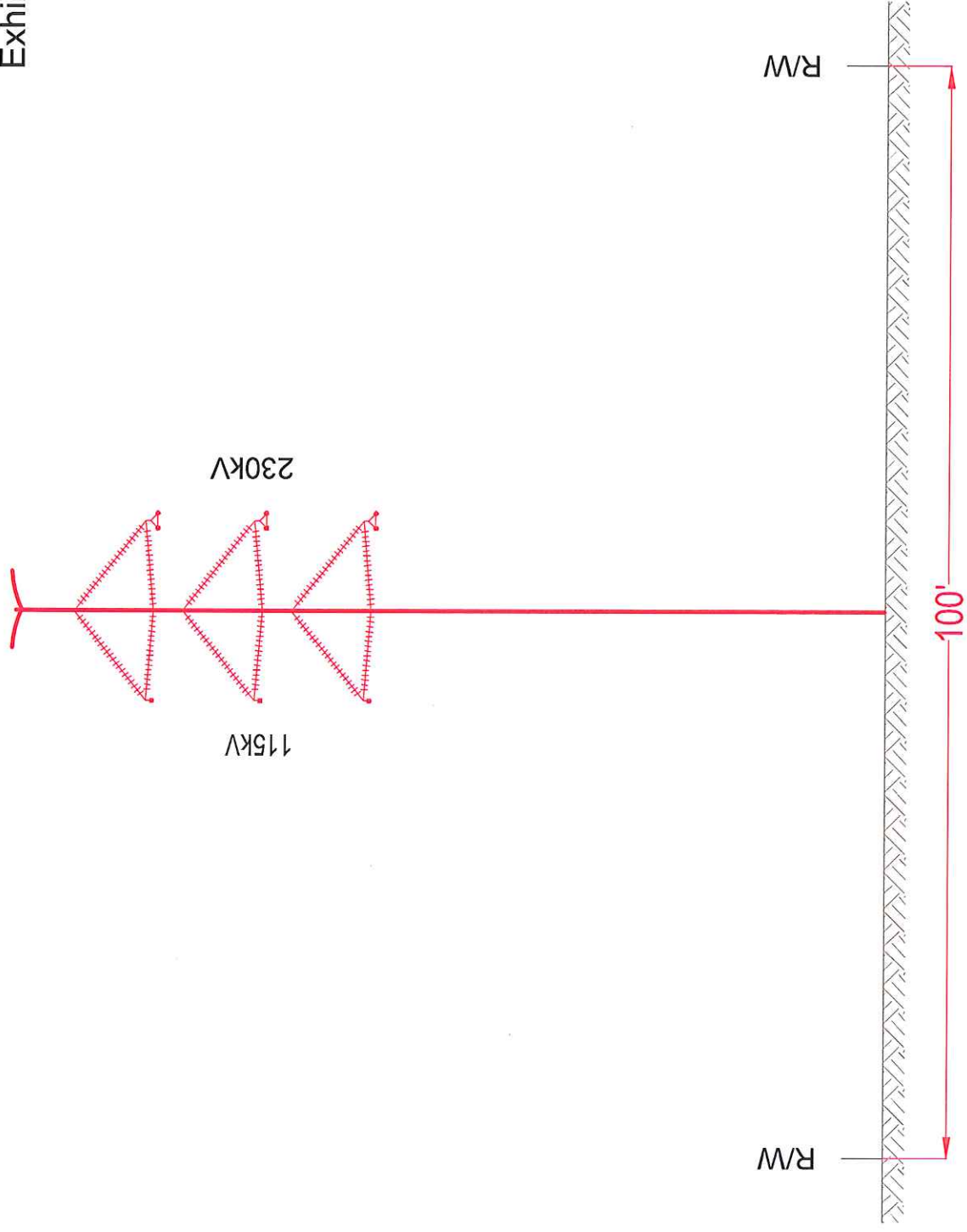


Exhibit C



Typical 230/115 Tangent Structure
Relocate on Richland County Park Property - Ref. Exhibit B

BEFORE
THE PUBLIC SERVICE COMMISSION
OF
SOUTH CAROLINA
DOCKET NO. 2011-325-E - ORDER NO. 2011-__
DECEMBER __, 2011

IN RE:

Application of South Carolina Electric & Gas)	<i>PROPOSED</i>
Company for a Certificate of Environmental)	ORDER GRANTING A
Compatibility and Public Convenience and)	CERTIFICATE OF
Necessity for the Construction and Operation of a)	ENVIRONMENTAL
230 kV Transmission Line from Its V.C. Summer)	COMPATIBILITY AND
Switchyard #1 to Its Killian Transmission)	PUBLIC
Substation and Two 230 kV Transmission Lines)	CONVENIENCE AND
from its V.C. Summer Switchyard #2 to Its Lake)	NECESSITY
Murray Transmission Substation)	<i>IN LIEU OF BRIEF</i>

I. INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (the “Commission”) on the Application of South Carolina Electric & Gas Company (“SCE&G” or the “Company”) for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the construction and operation of a 230 kilovolt (“kV”) transmission line from its V.C. Summer Switchyard #1 to its Killian Transmission Substation and two 230 kV transmission lines from its V.C. Summer Switchyard #2 to its Lake Murray Transmission Substation. SCE&G filed this application (the “Application”) on August 9, 2011, and contemporaneously served it on the South Carolina Office of

Regulatory Staff (“ORS”), the chief executive officers of each municipality and the heads of each state and local governmental agency charged with the duty of protecting the environment or of planning land use in the county in which any portion of the facility will be located. At the request of the Company, the Commission established this docket pursuant to the provisions in S.C. Code Ann. § 58-33-10 et seq. (1976 and Supp. 2010) (the “Siting Act”) and 26 S.C. Code Ann. Regs. 103-304 (1976, as amended).

A Notice of Filing and Hearing (the “Notice”) regarding the Application was prepared and issued by the Clerk’s Office of the Commission (the “Clerk’s Office”). By letter dated August 19, 2011, the Clerk’s Office instructed SCE&G to publish the Notice in newspapers of general circulation in the affected areas one time on or before August 29, 2011, and to provide proof of such publication to the Commission by September 19, 2011. The Company complied with the instructions received from the Clerk’s Office by timely publishing the Notice and thereafter filing an affidavit of publication attesting to publication as directed by the Clerk’s Office.

The Notice established September 19, 2011, as the date by which interested parties or entities could timely file petitions to intervene or present their views in writing to the Commission. Richland County, South Carolina (the “County”) and the Town of Blythewood, South Carolina (the “Town”) each filed a petition to intervene with the Commission on September 7, 2011.

ORS is automatically a party to the certification proceeding in this docket pursuant to S.C. Code Ann. §§ 58-4-10(B) (Supp. 2010) and 58-33-140(1)(b) (Supp. 2010). The

South Carolina Department of Health and Environmental Control, South Carolina Department of Natural Resources, and South Carolina Department of Parks, Recreation and Tourism were listed as parties based on the provisions of S.C. Code Ann. § 58-33-140 but did not appear or take part in the certification proceeding.

The Commission convened the hearing in this matter on October 20, 2011, and heard testimony from two public witnesses on that date. The hearing reconvened on October 27, 2011, at which time the Commission heard testimony from one additional public witnesses and from the witnesses from the parties.

At the hearing in this matter, SCE&G presented direct and rebuttal testimony of Hubert C. Young, III, Manager of Transmission Planning for SCE&G, and Dwight M. Hollifield, ASLA, Director of the Facilities Planning and Siting Division for Pike Energy Solutions, LLC. The Company also presented rebuttal testimony of Stephen A. Byrne, Executive Vice President for Generation and Transmission and Chief Operating Officer of SCE&G. ORS presented the direct testimony of Michael L. Seaman-Huynh, Senior Electric Utilities Specialist in ORS's Electric Department. The County presented the direct and surrebuttal testimony of Val Hutchinson, a member of the County Council of Richland County, and Chair of the Development and Services Committee for the County, and Dr. James B. Atkins, Manager of the Environmental Planning Division in the Richland County Planning and Development Services Department. The Town presented the direct and surrebuttal testimony of John P. Perry, Administrator of the Town, and the direct testimony of Keith T. Bailey, Mayor of the Town.

At the beginning of the proceeding on October 27, 2011, SCE&G announced that it had reached a settlement agreement with the Town. Under that settlement, the Town agreed to withdraw the opposition to SCE&G's request for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the lines as requested in the Application. SCE&G and the Town agreed that each would submit all direct, rebuttal and surrebuttal testimony previously filed but neither party would cross-examine the other party's witnesses.

On December 14, 2011, the County and SCE&G entered into a settlement agreement. Under that settlement agreement, the County also agreed to withdraw their opposition to SCE&G's request for a Certificate of Environmental Compatibility and Public Convenience and Necessity for the lines as requested in the Application.

On December 14, 2011, the Town, the County and SCE&G filed with the Commission an Explanatory Brief and Joint Motion to Approve the Settlement Agreement between SCE&G and the Town and the Settlement Agreement between SCE&G and the County (the "Settlement Agreements"). In that document, the Town, the County and SCE&G indicated that, in as much as ORS's witness, Mr. Michael Seaman-Huynh, testified in support of SCE&G's request for the issuance of the Certificate of Environmental Compatibility and Public Convenience and Necessity in this docket as requested in the Application, all parties who had intervened in this proceeding now withdraw their opposition to the issuance of the Certificate of Environmental Compatibility and Public Convenience and Necessity as requested by SCE&G. On that

basis, the Town, the County and SCE&G requested the Commission to approve the Settlement Agreements and issue an order granting the relief requested in the Application.

For the reasons set forth below, the Commission grants the motion by the Town, the County and SCE&G to approve the terms of the Settlement Agreements, and grants the relief requested by SCE&G in the Application.

II. STATUTORY STANDARDS

The Siting Act requires that before constructing and operating new transmission facilities with an operating voltage in excess of 125 kV the owner must obtain a Certificate of Environmental Compatibility and Public Convenience and Necessity from the Commission. In issuing such a Certificate, the Commission is required to make six statutorily-mandated findings. Those findings concern:

1. The basis of the need for the facility. S.C. Code Ann. § 58-33-160(1)(a);
2. The nature of the probable environmental impact of the facility. S.C. Code Ann. § 58-33-160(1)(b);
3. Whether the impact of the facility upon the environment is justified, considering the state of available technology and the nature and economics of the various alternatives and other pertinent considerations. S.C. Code Ann. § 58-33-160(1)(c);
4. Whether the facilities will serve the interests of system economy and reliability. S.C. Code Ann. § 58-33-160(1)(d);

5. Whether there is reasonable assurance that the proposed facility will conform to applicable State and local laws and regulations issued thereunder, including any allowable variance provisions therein, except that the Commission may refuse to apply any local law or local regulation that is unreasonably restrictive. S.C. Code Ann. § 58-33-160(1)(e); and
6. Whether public convenience and necessity require the construction of the facility. S.C. Code Ann. § 58-33-160(1)(f).

The Commission has considered each of these statutory standards in light of the evidence on the record in this proceeding and the agreement of certain parties as set forth in the Settlement Agreements. On that basis, the Commission makes findings as set forth below:

III. FACTS AND LEGAL DETERMINATIONS

A. The Need for the Facilities

As indicated in the Application, the basis for the need for these facilities is SCE&G's need to route power to its customers from two new nuclear units that are under construction at the V.C. Summer Nuclear Station in Jenkinsville, South Carolina ("Unit 2" and "Unit 3" or collectively the "Units"). (Tr. II, p. 88-90.) SCE&G is building the Units in partnership with the South Carolina Public Service Authority, and intends to place them into commercial operation no later than 2016 and 2019 respectively. When operational, the Units will provide a total of approximately 2,234 net megawatts ("MW") of power, 55% of which will be available to serve SCE&G's customers. (Tr. II, p. 88-

89.)

On May 30, 2008, SCE&G filed an Application for Certificate of Environmental Compatibility and Public Convenience and Necessity under the Siting Act for the Units. This application was combined with an application for an order under the Base Load Review Act, S.C. Code Ann. §§ 58-33-210 *et seq.* (the “Base Load Review Act”) approving the selection of technology and contractors, and the anticipated cost and construction schedules of the Units. After extensive discovery and a hearing involving more than 20 witnesses, the Commission granted SCE&G a Certificate of Environmental Compatibility and Public Convenience and Necessity to construct and operate the Units, along with a Base Load Review Order for the Units. The Certificate of Environmental Compatibility and Public Convenience and Necessity for the Units was issued in Order No. 2009-104(A) and was based on express findings by the Commission that the Units will serve the interests of system economy and reliability, that their environmental impacts are justified, and that the public convenience and necessity supports their construction. Those findings were upheld by the South Carolina Supreme Court in Friends of the Earth v. Public Service Commission of South Carolina, 387 S.C. 360, 692 S.E.2d 910 (2010).

In the proceedings leading to Order No. 2009-104(A), SCE&G entered into evidence generation interconnection studies and environmental reports that recognized the need for the transmission lines at issue here and included an assessment of the costs and environmental impacts associated with those lines. However, at the time Order No.

2009-104(A) was issued, the precise routing of these lines had not been determined and SCE&G indicated that it would file Siting Act applications specific to these lines at a later date. The Application in this docket is the first of two such filings that SCE&G anticipates making seeking a Certificate of Environmental Compatibility and Public Convenience and Necessity for the lines identified in the earlier proceedings.

At the hearing in this matter, SCE&G's witness Mr. Hubert C. ("Clay") Young testified that the generation interconnection studies he and his staff prepared had identified a total of four new transmission lines that will be needed to route the electric power generated by the Units onto SCE&G's transmission system. (Tr. II, p. 90-92.) Those lines are as follows:

- i. The VCS1-Killian 230 kV Line (the "***Killian Line***") will route power to load centers in the northeast Columbia area. (Tr. II, p. 90.) The Killian Line will run from the V.C. Summer Station site to the existing Killian 230/115 kV substation located near the intersection of I-77 and Killian Road in northeast Columbia. Along the way, the Killian Line will ultimately connect to substations and other transmission facilities serving loads in the I-77 corridor near and to the south of Winnsboro, South Carolina as they are constructed. The Killian Line is one of two lines required to support the testing and operation of Unit 2. (Tr. II, p. 83-84.)
- ii. The VCS2-Lake Murray 230 kV Line No. 2 (the "***Lake Murray Line***") will route power from the Units to load centers in the Lake Murray and

Lexington, South Carolina areas. (Tr. II, p. 90.) The Lake Murray line will run from the V.C. Summer Station site to the existing Lake Murray 230/115 kV substation near the Saluda Dam. Like the Killian Line, the Lake Murray Line is needed to support the testing and operation of Unit 2. (Tr. II, p. 84.)

- iii. The VCS2-St. George Lines Nos. 1 & 2 (the “*St. George Lines*”) will route power from the Units to Charleston area load centers and other load centers in the South Carolina Lowcountry. (Tr. II, p. 91.) The St. George Lines will run from the V.C. Summer Station site to a new 230/115kV substation to be built near St. George, South Carolina. The two St. George Lines are needed to support the testing and operation of Unit 3 and SCE&G indicates that it will file a Siting Act application specifically for the St. George Lines at a later time. (Tr. II, p. 92.) However, in the present proceeding, SCE&G is seeking authority to construct and operate a 22-mile segment of the new VCS2-St. George 230 kV Line No. 1 (the “*St. George Segment*”) which SCE&G plans to temporarily terminate at the Lake Murray 230/115 kV substation. Once placed into service, the St. George Segment will serve as a temporary replacement for the existing VCS1-Lake Murray 230 kV Line No. 1 when such line must be taken out of service later in the construction plan so that it can be rebuilt on common structures with the VCS2-St. George 230 kV Line No. 2. As Mr. Young testified, building the St.

George Segment at this time will allow the system to operate reliably while the VSC1-Lake Murray Line No. 1 is out of service being rebuilt. (Tr. II, p. 102 and 104.) In addition, because the St. George Segment and the Lake Murray Line will share the same right-of-way and the same structures, building them at the same time will avoid the need to mobilize construction crews twice to work on the same structures and thereby will reduce construction costs. (Tr. II, p. 93.)

Mr. Young testified that the need for these four new lines (“Lines”) was determined by generation interconnection studies which showed them to be required to support the reliability and economy of SCE&G’s electric system when the Units are added to the generation fleet. (Tr. II, p. 85-87.) Those studies were based on the Transmission Planning Standards established by the North American Electric Reliability Corporation (“NERC”) as supplemented by SCE&G’s own Long Range Planning Criteria. (Tr. II, p. 84.) Under these standards and criteria, SCE&G designs its transmission system with the goal of maintaining a level of reliable transmission service such that:

- i. No impacts more serious than local load impacts are expected to occur upon specified contingencies and events on the system; and
- ii. After appropriate switching and re-dispatching, the system can serve all non-radial loads and operate within acceptable limits going forward.

(Tr. II, p. 84.)

The ability of the transmission system to meet these requirements is measured by testing the response of the system to various possible events and conditions by conducting analyses that simulate the power flows that result. These tests include, among others, tests that evaluate the performance of the system in the event of the loss of any one transmission or generation facility, followed by appropriate switching and re-dispatching, and then followed by the loss of any other transmission or generation facility. (Tr. II, p. 85.)

Mr. Young testified that using these tests, SCE&G analyzed multiple scenarios to determine what improvements would be needed to operate the system reliably and efficiently when the Units are connected to the grid. (Tr. II, p. 89 and 94-95.) The first of these scenarios sought to determine if existing facilities could reliably and efficiently transmit the additional power from the Units without any upgrades or additions to transmission facilities. (Tr. II, p. 89-90 and 94.) The studies showed that when the Units come on line, the system will not be able to meet NERC and SCE&G reliability standards without upgrades or additions. (Tr. II, p. 90-91 and 94.) SCE&G then ran studies to see if the existing facilities could reliably and efficiently transmit the additional power if upgrades were made but no new lines were built. These studies showed that upgrading existing facilities to provide the required level of reliability either was not technically feasible or was not a cost-effective way to meet the reliability criteria. (Tr. II, p. 94-95.)

SCE&G then ran studies to determine what new lines and other facilities would be

required, along with other upgrades, to route the additional power onto its system reliably and economically. Those studies showed that the Killian Line, the Lake Murray Line and the two St. George Lines were necessary to route power reliably and economically from the Units onto SCE&G's transmission system. (Tr. II, p. 94-96.) As exhibits to his testimony, Mr. Young provided the detailed transmission interconnection studies which demonstrate the basis for the need for the Killian Line, the Lake Murray Line and the St. George Lines as well as the contributions to system reliability and economy of building them. (Hearing Exhibit No. 3 (HCY-2).)

As set forth in Mr. Young's testimony, the projected cost of construction for the Killian Line is approximately \$47,000,000. (Tr. II, p. 105.) The projected cost of construction for the Lake Murray Line and the St. George Segment is approximately \$29,000,000. The new lines are scheduled to be in service in December 2014. (Tr. II, p. 105.)

The ORS's expert witness in this matter, Mr. Seaman-Huynh, testified that ORS had reviewed SCE&G's interconnection studies and other information related to the basis for the need for the facilities and their contribution to system reliability and economy. (Tr. II, p. 250-255.) Mr. Seaman-Huynh supported Mr. Young's conclusion that the lines under review here serve the interests of system economy and reliability and are supported by public convenience and necessity. (Tr. II, p. 256.)

The Commission finds Mr. Young's testimony concerning the basis for the need for the Killian Line, the Lake Murray Line and the St. George Segment (the "Lines"), and

the contributions to system economy and reliability they represent, as corroborated by Mr. Seaman-Huynh and by the exhibits Mr. Young provided, to be credible. This evidence along with the agreement by the County and the Town as set forth in the Settlement Agreements, support a finding by the Commission that the Lines are necessary, that they support system economy and reliability and that they are justified by public convenience and necessity. Accordingly, the Commission finds that as to these Lines the statutory standards of S.C. Code Ann. §§ 58-33-160(1)(a),(d), and (f) are fully met by the evidence of record here.

**B. The Nature and Justification of the Probable Environmental Impacts
of the Facilities in Light of the Alternatives**

1. Overview

The Siting Act also requires the Commission to evaluate the nature of the probable environmental impact from the Lines and the justification of those impacts in light of the alternatives. One important fact about the Lines is that, with the exception of one 6-mile segment, SCE&G plans to build the entire 59 corridor miles that the Lines represent within existing rights-of-way. (Tr. II, p. 99.) SCE&G intends to accomplish this either by building the new Lines in unoccupied portions of existing rights-of-way corridors (as it will do with the Lake Murray Line and the St. George Segment) or by taking down the existing lines and rebuilding them on shared structures with new Lines (as it will do with most of the Killian Line). The only exception is the approximate 6-mile segment of the Killian Line between the future Blythewood 230/115kV Substation and the Killian

230/115kV Substation (the “Blythewood-Killian Segment”). (Tr. II, p. 99.) For reasons that are discussed below, SCE&G concluded that to the extent that new right-of-way is available, system economy and reliability would not be furthered by building the Blythewood-Killian Segment on existing right-of-way but instead that system reliability and economy are furthered by building the Blythewood-Killian Segment on new right-of-way. (Tr. II, p. 99-101.)

The record amply supports the environmental benefits of SCE&G’s decision to build the Lines on existing right-of-way where it is practical and economical to do so. As Mr. Hollifield testified, use of existing rights-of-way for the majority of the length of the Lines minimizes the amount of clearing, wetlands impacts, visual impacts and other impacts to existing land uses from the new Lines. (Tr. II, p. 147-149, 151-152, 155-157, and 159-160.)

This conclusion is substantiated by the environmental reports concerning each of the Lines which Mr. Hollifield presented as exhibits to his testimony. (Hearing Exhibit No. 4 (DMH-2).) These reports were based on literature and record reviews and extensive field-work by biologists, botanists, cultural resource historians and others to ascertain the probable environmental impact of constructing and operating the Lines along the selected routes and in some cases along other potential routes. These reports concluded that these Lines are not anticipated to have any significant adverse short-term or long-term impact on the environment. (Tr. II, p. 146 and 154.) In reaching this conclusion, biologists and botanists conducted field studies to ascertain whether the

construction and operations of the Lines were likely to have any adverse impact on any state or federally-listed rare, threatened or endangered plant or animal species. (Tr. II, p. 146 and 154.) They determined that such species were not likely to be adversely affected by the Lines. (Tr. II, p. 147 and 155.) Furthermore, while there are 59 corridor miles represented by the Lines, wetlands impacts will be limited to approximately 18.6 acres. On those 18.6 acres the wetlands will be converted from forested wetlands to herbaceous wetlands. (Tr. II, p. 147-148 and 156.) No wetlands will be destroyed. Instead, Mr. Hollifield testified that this conversion will mean that the wetlands in question will support a different suite of plants and animals but the wetlands will continue to perform their functions of surface water storage, subsurface water storage, nutrient cycling, and particle retention. (Tr. II, p. 147-149 and 155-157.) In addition, before construction on the Lines begins, all routes will be reviewed and approved by the U.S. Army Corps of Engineers and other state and federal resource agencies and will undergo Section 401 certification and Section 404 permitting under the Clean Water Act. (Tr. II, p. 148 and 156.) Even though there will not be any material loss of wetlands due to construction of the Lines, SCE&G will be required to prepare and undertake an appropriate compensatory mitigation plan as approved by the Army Corps of Engineers, the South Carolina Department of Natural Resources and other state and federal regulatory and resource agencies. (Tr. II, p. 148 and 156.) As to construction itself, when operating near or within wetland areas during construction of the Lines, SCE&G will be required to employ established wetland protection practices including the use of erosion control

measures wherever they may be required to prevent translocation of sediment from construction sites to wetlands or streams. In stream buffer zones, low-growing vegetation will be left intact to the maximum practical extent, and root mats will not be disturbed. (Tr. II, p. 149 and 157.)

These facts were set forth in Mr. Hollifield's testimony and the various studies that form part of the environmental reports prepared on each of the Lines. Based on these facts, Mr. Hollifield testified that the construction and operation of the Lines would not have a material adverse impact on the natural environment. (Tr. II, p. 147, 149, 155, and 157.)

As to cultural resources, Mr. Hollifield testified that SCE&G has entered into a "Cultural Resources Management Plan and Agreement" ("CRMPA") with the S.C. State Historical Preservation Office and the Army Corps of Engineers regarding management of potential cultural resources within all proposed line right-of-way corridors associated with new Lines. (Tr. II, p. 149 and 157-159.) The identification, assessment and protection of such cultural resources are being managed according to the provisions of this plan. Pursuant to the CRMPA, SCE&G engaged Brockington and Associates, a cultural resources firm, to perform a comprehensive Phase I Cultural Resource Survey throughout all areas along the Lines, although land disturbance will not occur over the entire area within the right-of-way. (Tr. II, p. 150 and 158.) Brockington determined that significant archeological and other cultural resources are not likely to be adversely affected in connection with the construction of the Lines along the selected routes. (Tr.

II, p. 150-151 and 158-159.) Furthermore, once the specific transmission structure locations have been determined and staked in the field, SCE&G will engage Brockington to perform additional Cultural Resource investigations pursuant to the CRMPA. If cultural resources are discovered, the terms of the CRMPA will apply and protection measures including the possible relocation of structures will be instituted at that point.

As to visual impacts, Mr. Hollifield testified that for the Killian Line they will be low overall in large part because that line will replace an existing single circuit line for at least 31 miles of its 37 mile length. (Tr. II, p. 151.) Mr. Hollifield testified that SCE&G conducted an extensive, community-based, site selection process for the 6-mile Blythewood-Killian Segment that will be built on new right-of-way. (Tr. II, p. 151-152.) The selected route was chosen based on a careful evaluation of a wide range of environmental, cultural, visual and other criteria. (Tr. II, p. 143.) Each of those factors was individually assessed and scored with the scores for each set of factors normalized to provide comparability among the results. Based on this scoring, the selected route was found to minimize the impacts from the Blythewood-Killian Segment on all of these factors in aggregate. In addition, the route selected was determined to have the lowest visual impacts of any of the five alternate routes that scored most favorably in terms of aggregate impacts as determined by the siting study. (Tr. II, p. 152-153.) The route selected also had the lowest cost of any of the five routes that scored most favorably in terms of aggregate impacts. (Tr. II, p. 144.)

As to the Lake Murray Line and the St. George Segment, Mr. Hollifield testified the visual impacts are low in the largely undeveloped areas between the V.C. Summer Station site and the point identified as Chapin Junction, near Chapin, South Carolina. (Tr. II, p. 159.) From there to the Lake Murray 230/115 kV Substation, visual impacts will be moderate due primarily to the development that has occurred over the years in close proximity to the existing right-of-way. (Tr. II, p. 160.) However, because SCE&G will build the lines on an existing transmission corridor parallel to an existing double-circuit 115 kV line, visual impacts of this part of the Lake Murray Line and the St. George Segment will be mitigated.

The ORS's expert witness in this matter, Mr. Seaman-Huynh, testified that ORS had reviewed the environmental reports and other information provided by SCE&G related to the nature of the probable environmental impact from the new Lines and the justification of those impacts in light of the alternatives. (Tr. II, p. 250.) Mr. Seaman-Huynh supported Mr. Hollifield's and Mr. Young's conclusion that the probable environmental, cultural, visual and other impacts from the new Lines has been appropriately evaluated and are justified in light of the alternatives. (Tr. II, p. 256.)

2. Intervenor's Arguments

Through the testimony of their witnesses, the Town and the County raised several objections regarding the siting of the Killian Line. Those objections related to a) the visual impact of the Killian Line in the area where it will cross Blythewood Road, b) the visual and land use impacts of the Killian Line in the area where the Killian's crossing

development is to be located, c) the environmental and land use impacts of the Killian Line on a parcel of land where the County plans to build a recreation and sports complex for the northeast Columbia area, and d) the environmental and land use impacts of the Killian Line on a parcel of property held by the Richland County Conservation Commission for conservation purposes. In addition, in its testimony, the County took the position that there were methodological deficiencies in how factors were scored and weighed in SCE&G's siting studies that require the Commission to dismiss the Application. In response to these contentions, SCE&G provided extensive rebuttal testimony supporting the appropriateness of the routes chosen for the Killian Line and supporting the soundness of the methodology it employed in conducting its siting studies.

In light of the Settlement Agreements, the County and the Town have now withdrawn the arguments and contentions that their witnesses had raised against the routes chosen for the Killian Line and the methodologies used to locate that line. Accordingly, the Commission is not required to address these arguments and contentions in detail. However, in keeping with its responsibilities under the Siting Act, the Commission has reviewed the evidence presented by SCE&G in light of the contentions raised at the hearing. The Commission finds that the evidence SCE&G presented through its witnesses Mr. Byrne, Mr. Young and Mr. Hollifield as to these matters is credible and persuasive. The Commission finds that this evidence supports a finding by the Commission (a) that the methodologies used by the Company in the siting studies presented here were appropriate, (b) that the environmental impacts of the Killian Line

have been appropriated evaluated and quantified and (c) that those impacts are fully justified in light of the available and practical alternatives to the proposed siting of that line.

3. Conclusion Concerning Environmental Impact

Based on the evidence of record, the Commission finds that the environmental impacts of the Lines as a whole have been appropriately evaluated and described and that these impacts are minimal, and they are justified in light of the alternatives. Accordingly, the Commission find that as to these Lines, the statutory standards of S.C. Code Ann. §§ 58-33-160(1)(b) and (c) are fully met by the evidence of record here.

C. Assurance that the Proposed Facility Will Conform to Applicable State and Local Laws and Regulations

The Siting Act requires the Commission to determine whether there is reasonable assurance that the proposed facility will conform to applicable State and local laws and regulations issued thereunder. S.C. Code Ann. § 58-33-160(1)(e). Mr. Young testified unequivocally that the Lines will be constructed and operated in conformity with all state and local regulations. (Tr. II, p. 110-111.) Moreover, the testimony in the record of this proceeding documents the Company's extensive program for ensuring that the Lines will be constructed in conformity with all applicable state and federal environmental laws and regulations. (Tr. II, p. 129-131, 147-149 and 155-157.) No party has identified any State or local laws or regulation that construction or operation of the Lines would contravene. County Council Member Hutchinson affirmatively testified that transmission lines can be

constructed in all zoning districts. (Tr. III, p. 460-461.) The Killian's Crossing Planned Development District Ordinance does not contain any terms limiting the construction and operation of transmission lines. The Commission finds that the Lines fully meet the requirements of S.C. Code Ann. § 58-33-160(1)(e).

D. SCE&G's Alternative Route Request

As mentioned above, SCE&G presented evidence that system economy and reliability would support the construction of the Blythewood-Killian Segment on new right-of-way if doing so were practical. The reason is related to the additional lines that must be built to support growing demands in this area. Presently, there is a 115 kV line that runs from Blythewood to Killian. It is feasible to build the Blythewood-Killian Segment on this right-of-way by removing the existing 115 kV line and rebuilding it on common structures with the Blythewood-Killian Segment. (Tr. II, p. 107.) However, SCE&G's load studies have identified the near-term need for a second 115 kV line between Blythewood and Killian to support growing demands in that area. (Tr. II, p. 100-101.) As Mr. Hollifield testified, system reliability and safety consideration preclude locating three transmission lines of such importance to system reliability on a single set of structures. (Tr. III, p. 444-445.) For this reason, if SCE&G were to use the existing 115 kV right-of-way for the Blythewood-Killian Segment, it would then have to build the second Blythewood-Killian 115 kV line on a new right-of-way. This would increase the overall cost of the construction plan by approximately \$6.3 million and would result in three transmission lines being built in two transmission corridors just as would be the

case under the preferred alternative, *i.e.*, to leave the existing 115 kV Line in place and build the Blythewood-Killian Segment and the new 115 kV line together on new right-of-way. (Tr. II, p. 109-110.)

However, SCE&G recognizes the importance of timely completion of the Blythewood-Killian Segment to its overall nuclear construction plans. Accordingly, in the interest of flexibility, SCE&G has asked the Commission to allow it to construct the Blythewood-Killian Segment on the existing 115 kV line right-of-way as an alternative route if SCE&G were not able to acquire new rights-of-way on reasonable terms or on a reasonable schedule. (Tr. II, p. 106-107.) SCE&G recognizes that, all other things being equal, this alternative route for the Blythewood-Killian Segment is approximately \$6.3 million more expensive than the preferred route. Furthermore, for the reasons stated in Mr. Byrne's testimony, switching to the alternative route could also involve significant licensing and permitting delays. (Tr. III, p. 278-281.) Nevertheless, SCE&G believes that having this alternative available could be important to SCE&G if other parties refuse to grant rights-of-way, challenge condemnation actions, seek to leverage the tight construction schedule to their financial advantage, or otherwise create problems with the permitting and building the Blythewood-Killian Segment on new right-of-way.

Based on this evidence of record, the Commission finds that if the constructing the Blythewood-Killian Segment on new rights-of-way proves to be impractical from a cost or schedule perspective, having the proposed alternative available to SCE&G would be important to allow the Company to meet its primary goal in constructing the Lines, which

is to be sure that they are completed in time to support the construction and testing of Unit 2. For that reason, the Commission finds that if constructing the Blythewood-Killian Segment on new rights-of-way proves to be impractical from a cost or schedule perspective, the proposed alternative route using the existing 115 kV right-of-way would contribute to system economy and reliability, would be environmentally justified, and would be supported by public necessity and convenience. For that reason and in addition to the primary route described in SCE&G's Application, the Commission also approves this alternative route as a part of the Certificate of Environmental Compatibility and Public Convenience and Necessity granted in the docket.

E. Conclusion as to the Public Necessity and Convenience of the Lines

In conclusion, the proposed Lines and routes presented here, including the alternative route, represent a feasible, appropriate and cost-effective means for maintaining system reliability and transmitting the additional electric power from V.C. Summer Nuclear Station Units 2 and 3 to SCE&G's customers. They are clearly justified in light of the available alternatives. For that reasons, the Commission finds that the public convenience and necessity supports issuance of a certificate for construction of these Lines as proposed. S.C. Code Ann. § 58-33-160(1)(f).

IV. REROUTING OF THE SPORTS COMPLEX LINE

One of the requests that SCE&G agreed to in its settlement agreement with the County was that SCE&G would relocate at its expense an existing 230/115 kV line where it crosses a parcel of property owned by the County in northeast Columbia south of

Clemson Road. The property in question is property on which the County intends to build a recreation and sports complex. The Blythewood-Killian Segment also crosses this property and as part of the settlement agreement with the County, the County will grant SCE&G right-of-way for the Blythewood-Killian Segment. However, in examining the plans for the sports complex, SCE&G and the County determined that for safety and reliability reasons the existing 230/115 kV line on the property (“Existing Line”) would need to be relocated to allow development of the complex to proceed as planned. In its Explanatory Brief and Joint Motion to Approve the Settlement Agreement between SCE&G and the Town and the Settlement Agreement between SCE&G and the County (“Motion”), SCE&G asked the Commission to determine that the relocation of this line is the replacement of an existing facility with a like facility and so pursuant to S.C. Code Ann. § 58-33-110(1) does not require the Commission to issue a Certificate of Environmental Compatibility and Public Convenience and Necessity authorizing such relocation.

As set forth in the Motion, the relocation of the Existing Line will take place entirely on property owned by the County, and will not change the capacity or function of the Existing Line in any material way. Accordingly, the facts demonstrate that the relocation constitutes “[t]he replacement of an existing facility with a like facility” and so does “not constitute construction of a major utility facility” for purposes of the Siting Act. S.C. Code Ann. § 58-33-110(1). The relocation does not require the Commission to

issue a Certificate of Environmental Compatibility and Public Convenience and Necessity.

V. FINDINGS

NOW THEREFORE, based upon the foregoing, IT IS HEREBY DECLARED AND ORDERED THAT:

1. SCE&G is hereby granted a Certificate of Environmental Compatibility and Public Convenience and Necessity for the construction and operation of the Lines, specifically a 230 kilovolt (“kV”) transmission line from its V.C. Summer Switchyard #1 to its Killian Transmission Substation (the Killian Line) and two 230 kV transmission lines from its V.C. Summer Switchyard #2 to its Lake Murray Transmission Substation (the Lake Murray Line and the St. George Segment), along the primary and alternate routes described in the Company’s Application.
2. SCE&G has shown the basis of the need for the Lines in that they are necessary to route the power to be generated by V. C. Summer Nuclear Station Units 2 and 3 onto its transmission system to serve reliably SCE&G customers in the northeast Columbia, Lake Murray, and Lexington areas, and to support reliability during future construction of the St. George Line No. 2, all the while ensuring that SCE&G remains in compliance with applicable transmission system reliability standards.

3. SCE&G has shown the nature of the probable environmental impact from construction and operation of the Lines is minimal and considering the state of available technology and the nature and economics of the various alternatives and other pertinent considerations this minimal impact is justified. SCE&G selected routes for the Lines in a way that appropriately reduces environmental, land use, cultural resource, and aesthetic effects.
4. SCE&G has shown the Lines will serve the interests of system economy and reliability by allowing power generation by V.C. Summer Nuclear Station Units 2 and 3 to be reliably and efficiently routed through its transmission system for delivery to customers.
5. SCE&G will notify ORS and the Commission should it make the decision to use existing right-of-way as the route for the Blythewood-Killian Segment, as discussed above.
6. SCE&G will follow all South Carolina, Commission, and local government regulations and laws arising from matters set forth in the Application as qualified herein.
7. Public convenience and necessity require the construction of the Lines.
8. The removal and rerouting of the Existing Line on the site of property purchased by the County for a recreation and sports complex south of Clemson Road constitutes “[t]he replacement of an existing facility with a like facility” and so does “not constitute construction of a major utility facility” and

therefore does not require a Certificate of Environmental Compatibility and Public Convenience and Necessity under the terms of the Siting Act, S.C. Code Ann. § 58-33-110(1).

9. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:

John E. Howard, Chairman

ATTEST:

David A. Wright, Vice Chairman

(SEAL)